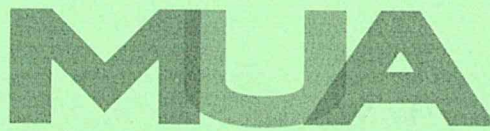


The  
Management  
University  
of Africa



Sponsored by the Kenya Institute of Management

---

**POST GRADUATE UNIVERSITY EXAMINATIONS**  
**SCHOOL OF MANAGEMENT AND LEADERSHIP**  
**DEGREE OF MASTER OF MANAGEMENT AND LEADERSHIP**

**HCO 507: CONSULTANCY IN HUMAN CAPITAL**

**DATE: 18<sup>TH</sup> JULY 2017**

**DURATION: 3 HOURS**

**MAXIMUM MARKS: 60**

**INSTRUCTIONS:**

1. Write your registration number on the answer booklet.
2. **DO NOT** write on this question paper.
3. This paper contains **FOUR (4)** questions.
4. **Question ONE is compulsory.**
5. Answer any other **TWO** questions.
6. **Question ONE** carries **30 MARKS** and the rest carry **15 MARKS** each.
7. **Write all your answers in the Examination answer booklet provided**



**QUESTION ONE**

Read the Case Study Below carefully and answer the questions that follow:

**WHY CORPORATE KENYA NEEDS TO TAKE CEO SUCCESSION STRATEGICALLY**

Corporate Kenya has had its ups and downs in recent years. There have been stories of highly successful firms such as Comsafi, the most profitable company in Kenya, and Cafria Breweries Ltd. More recently, we have seen Nyakeba ltd post losses that have shocked the region .CEOs who were at one point the darlings of their industries have fallen from grace. Titutisi Makumbi, for example, had his last term in Nyakeba clouded by loss-making. Peter Jordan who at one point transformed the meat industry is now facing his share of blame for the collapse of Upendo Company. Andrew kaswi, who transformed Green acres Supermarkets from total collapse to a great hope for the nation, exited acrimoniously. However, former CEOs such as Mjomba Ichaki and Francis Goodness left when the crowd was still clapping. This raises the question: is there a link between a CEO's tenure (CEO's succession planning), strategy and organizational performance? The good book affirms that there is time for everything: a time to plant, and a time to uproot what is planted. So, what determines which kind of CEO to hire – the time to plant a new one and the time to uproot the current one? It depends on performance and organizational needs at the time.

It is an undoubtable fact that we all have biases. This being the case, it is possible then to have 'management bias'. This makes one look at the problems of an organization with the lens of one's background. When there is customer attrition, a CEO with a marketing background will see the need to add product lines and boost branding. An IT-oriented CEO is likely to believe there is need for a systems-upgrade to make employees more productive, effective and efficient. A human-resource one will most probably call for culture change programmes, improved compensation, training and development. A finance CEO will work on pricing of products, while accountants are trained to use historical information, but not



futuristic. This answers the question as to what kind of CEO to plant in an organization and when. If the return on assets is low and the bottom-line is bad, then it is time to hire a finance and accounting CEO rather than a marketing one, since the latter may focus on growing the top-line (revenue mix) as opposed to focusing on the issues affecting profitability. We can learn something on this from Corporate America. The trend in the US is that a CEO's tenure and management are tied to the organization's performance and strategy. If a CEO who has a marketing orientation helps the company grow through a massive expansion strategy (top-line growth), the next CEO is usually from either operations, or finance and accounting to focus on the organization's bottom line. Moreover, most CEOs have their tasks clearly spelt out for them, and the tenure assigned depends on the duration of expected delivery. For instance, if the board decides that the company ought to expand into new regions in the next three years, it hires a three-year-tenured CEO.

Is this Corporate American practice sound in Kenya and in Africa at large, where retirement isn't really African? How could a young CEO such as Peter Jordan retire, yet President Mugabe (Zimbabwe) is still soldiering on, President Museveni (Uganda) is too young to go home and President Kagame (Rwanda) has almost declared that no one has been prepared to take over.

Just as we had a Nelson Mandela in the political arena, we also have Mandelas in the corporate world. Kenya has had some notable trends, though few. Peter Jordan for example, took over Metameta bank and launched a regional expansion strategy that succeeded. However, he did not hold on; he left the bank in the hands of Mwinamira. The late Rogers Daniel turned loss-making Mwanainchi Bank profitable by disposing of non-performing assets, and then retired so that the current leadership could grow the lender. The task rests with the board of directors of Kenyan companies. Allow CEO tenure and succession planning be linked to strategy and performance if corporate Kenya is to flourish.



**Required:**

- a) The government has formed a commission of inquiry to investigate the underlying management crisis facing various departments in the country. During the first meeting the committee suggested to engage the services of a consultant to help in looking into the problems facing the various organizations. Justify the growing need of consulting service in organizations currently (5marks)
- b) Discuss the use of internal consultant in an organization (5 marks)
- c) Describe the major areas that an organization would require the help of a external consultant (3marks)
- d) Communication has been said to be life blood in an organization ;Critically examine the place of communication skills in the field of consultancy (2 marks)
- e) As a member of the commission of enquiry in the above case scenario; Scrutinize the major issues that may bringing down giant company's in our country (5 marks)
- f) The place of performance management has not been a bed of roses for many supervisors and employees in many organizations: Discuss performance management role as one of human resource practice. (5 marks)
- g) Discuss the organizational opportunities and challenges of globalization, workforce, diversity, and virtual work. (5 marks)

**QUESTION TWO**

- a) It seems as though every action in a firm is referred to as a strategy .why is the management of human resources referred to as a strategic requirement of an organization? (4 marks)
- b) Succession planning is a managerial tool that can help an organization avoid gaps in both employee and employer performance; Examine the major hindrances in succession planning in an organization of your choice (4marks)



- c) Interpersonal skills can be defined broadly as “those skills which one needs in order to communicate effectively with another person or a group of people” Although there is some variation in the literature over the exact skills that qualify under this heading scholars tend to agree on a number of core areas in which competency is essential for effective interpersonal interactions. Discuss communication skill that managers may use for effective communication

( 4 marks)

- d) Justify why an organization would choose to use an external consultant instead of an internal consultant

( 3 marks)

### QUESTION THREE

- a) Using your own words describe the following words

- i. Directive Strategy;
- ii. Negotiating Strategy;
- iii. Expert Strategy;
- iv. Educative Strategy;
- v. Participative Strategy;

(8 marks )

- b) Ethics is often a highly subjective matter, consultancy as a profession has considerable ethics that are followed during and after service delivery. Required; examples of unethical behavior that are associated with consultants in the course of their services to client;

(7 marks)

### QUESTION FOUR

- a) HRM is management oriented and sees people as key resource to be used to further the objectives of the business. Organizations today are faced with a myriad of challenges including and not limited to restructuring, redundancies mergers, acquisitions, new technologies and legislative, this are but few of changes happening. Required: Justify the role of HR Manager in and during change process in an organization

(5marks)



- b) Culture change involves moving an organization from one form of culture to another, often through a culture change programme. Managing this cultural change programme requires that attention be paid to a range of issues. Required; suggest number of key factors that an organization may cultivate in order to facilitate a change in organizational culture: ( 5 marks)
- c) Organizations maintain strong cultures through the process of organizational socialization Required;
- i. Define organizational socialization using you own words (2 marks)
  - ii. Determine the elements that would be included in the culture of an organization. (3marks)